

Message Text

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ACTION EA-10

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C O N F I D E N T I A L CANBERRA 1169

E.O. 11652: GDS

TAGS: AS, PINT

SUBJECT: MOROSI CASE HITS HEADLINES AGAIN

REF: CANBERRA 0559

1. SUMMARY: DEPUTY PRIME MINISTER CAIRNS' APPOINTMENT OF MS. JUNI MOROSI IN DEC. 1974, HIT THE HEADLINES OF EVERY AUSTRALIAN PAPER REPEATEDLY THIS WEEK. IN A SPIRITED PARLIAMENTARY DEBATE ON THE APPOINTMENT, DEPUTY PRIME MINISTER CAIRNS SAID QTE AS LONG AS I AM SATISFIED ABOUT MISS MOROSI'S COMPETENCE AND INTEGRITY SHE WILL REMAIN A MEMBER OF MY STAFF. END QTE THE CONTINUING SPATE OF PRESS REPORTS ABOUT THE VARIOUS RAMIFICATIONS OF THE MOROSI APPOINTMENT HAS REPORTEDLY LED TO PRESSURE FROM ALP POLITICIANS TO HAVE HER REMOVED FROM CAIRNS' STAFF. IT APPEARS THAT CAIRNS HAS PUT HIS OWN POLITICAL FUTURE ON THE LINE IN DEFENDING HER. END SUMMARY

2. THE MOROSI AFFAIR IS A SORDID BUSINESS, WHICH ORDINARILY WOULD BE REPORTED BY A GOSSIP COLUMNIST RATHER THAN BY AN EMBASSY. HOWEVER, ITS POLITICAL IMPACT THREATENS TO DAMAGE THE FUTURE OF DEPUTY PRIME MINISTER CAIRNS AND PERHAPS ULTIMATELY THE WHITLAM GOVERNMENT.

3. THERE ARE NUMEROUS UNSUBSTANTIATED ALLEGATIONS CIRCULATING AMONG JOURNALISTS AND POLITICIANS THAT JUNI MOROSI HAS BEEN LINKED SEXUALLY IF NOT ROMANTICALLY WITH SEVERAL

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MEMBERS OF THE ALP CABINET AS WELL AS WITH ONE OR TWO OPPO-

SITION POLITICIANS. IT ALSO APPEARS THAT DEPUTY PRIME MINISTER CAIRNS MAY HAVE FALLEN IN LOVE WITH HER. THE PROBLEM IS FURTHER COMPOUNDED BY THE FACT THAT MS. MOROSI AND HER HUSBAND WERE INVOLVED IN SEVERAL MODEST VENTURES IN THE TRAVEL BUSINESS WHICH WENT BANKRUPT.

4. WITH THIS BACKGROUND, THE STORY ERUPTED AGAIN DURING PAST TWO WEEKS WHEN IN TWO PRESS INTERVIEWS PUBLISHED FEB. 8 AND 9 DR. CAIRNS SAID THAT HE HAD "A CERTAIN KIND OF LOVE" FOR MS. MOROSI. DR. CAIRNS GAVE THIS INTERVIEW WITHOUT INFORMING HIS PRESS SECRETARY, MR. GEOFFREY GLEGHORN. GLEGHORN SUBSEQUENTLY OBJECTED TO THESE INTERVIEWS AND CLAIMED THAT DR. CAIRNS HAD THEN DISMISSED HIM ON FEB. 19. TWO OTHER MEMBERS OF DR. CAIRNS' STAFF RESIGNED AT THE SAME TIME BECAUSE THEY SAID THEY COULD NOT WORK WITH MS. MOROSI. ONE OF THEM, MISS MAXINE BURGERS, IS DR. CAIRNS' FORMER DAUGHTER-IN-LAW WHO HAD WORKED FOR HIM FOR OVER FOURTEEN YEARS. PRESS STORIES ABOUT THE DISMISSAL AND RESIGNATIONS WERE FRONT PAGE NEWS IN EVERY AUSTRALIAN PAPER ON FEBRUARY 20.

5. ALSO ON FEB. 20, MHR WILLIAM WENTWORTH, (LIB NSW), BROUGHT A MOTION IN PARLIAMENT TO DISCUSS THE PROPRIETY OF THE MOROSI APPOINTMENT TO CAIRNS' STAFF. IN THE COURSE OF THE DEBATE MHR WENTWORTH INSERTED INTO THE RECORD A SWORN STATEMENT SIGNED BY FIVE FORMER EMPLOYEES OF MS. MOROSI AND HER CURRENT HUSBAND, DAVID DITCHBURN, WHICH ALLEGED THAT THEY HAD FRAUDULENTLY MISAPPROPRIATED THE PUBLIC'S MONEY, PASSED FALSE CHECKS, MISREPRESENTED THE FINANCIAL STATUS OF COMPANIES THEY WERE INVOLVED IN, AND REQUESTED THE EMPLOYEES TO ASSIST MS. MOROSI IN TAX EVASION. THE STATEMENT ALSO CLAIMS THAT MS. MOROSI SPONSORED THE IMMIGRATION OF FILIPINO GIRLS INTO AUSTRALIA, FORCED THEM TO WORK FOR \$25 A WEEK, AND HAD THEM PAY \$10 OF EACH WEEK'S SALARY TO MS. MOROSI'S MOTHER IN THE PHILIPPINES. IN THE DEBATE WHICH FOLLOWED, DR. CAIRNS NOTED THAT ONE OF THE FIVE PEOPLE WHO SIGNED THE STATEMENT, ALAN FELTON, HAD BEEN FOUND GUILTY IN SYDNEY ON FEB. 20 OF BREAKING INTO MS. MOROSI'S SYDNEY FLAT IN MID-JANUARY (REFTEL). MHR WENTWORTH DENIED THAT HE HAD ANY CONNECTION WITH THE BREAK-IN, (AS CAIRNS SUGGESTED). DR. CAIRNS STATED THAT QTE AS LONG AS I AM SATISFIED ABOUT MISS MOROSI'S COMPETENCE AND INTEGRITY SHE WILL REMAIN CONFIDENTIAL

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A MEMBER OF MY STAFF END QTE. PRIME MINISTER WHITLAM ENTERED THE HOUSE JUST AS THIS DEBATE WAS ENDING AND SUPPORTED DR. CAIRNS BY YELLING QTE HEAR, HEAR. END QTE

6. FEBRUARY 21 PRESS GAVE HEAVY PLAY TO THE HOUSE DEBATE AS WELL AS TO REPORTS THAT A NUMBER OF ALP MEMBERS WERE URGING THE PRIME MINISTER TO STEP IN AND HAVE MS. MOROSI REMOVED.

7. COMMENT: THERE IS NO QUESTION THAT THIS AFFAIR HAS WEAKENED DR. CAIRNS WHO HAS PRACTICALLY PUT HIS POLITICAL CAREER ON THE LINE IN DEFENDING MS. MOROSI. IT MAY ALSO HAVE WEAKENED THE WHITLAM GOVERNMENT. THE STORY JUST WILL NOT DIE AND NOW THAT WENTWORTH HAS PUT THE SIGNED STATEMENT INTO THE PARLIAMENTARY RECORD THE PRESS IS FREE TO QUOTE FROM IT WIT FEAR OF PROSECUTION UNDER THE RIGID AUSTRALIAN DEFAMATION LAWS. WE EXPECT PRESS STORIES TO CONTINUE AND BELIEVE IT MORE THAN LIKELY THAT SOME OF THE MORE SORDID ASPECTS OF THE CASE WILL FIND THEIR WAY INTO PRINT.
HARROP

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